

# CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Capital Bancorp, Inc

Point of Contact:	John M. Presley	RSSD: (For Bank Holding Companies)	3454172
UST Sequence Number:	444	Docket Number: (For Thrift Holding Companies)	N/A
CPP/CDCI Funds Received:	10,958,000	FDIC Certificate Number: (For Depository Institutions)	34802
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	N/A
Date Funded (first funding):	April 03, 2009	City:	Glen Allen
Date Repaid <sup>1</sup> :	N/A	State:	Virginia

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

**X Increase lending or reduce lending less than otherwise would have occurred.**

For the year ended December 31, 2010 the Company's outstanding loans were \$397.2 million a \$6.5 million or 1.6% decrease from December 31, 2009. This decrease would have been greater if not for CCP.

**X To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

The Company increased its residential real estate portfolio by \$7.7 million and its commercial real estate portfolio by \$20.0 million. Real estate construction lending decreased by \$26.6 million as the bank decreased its exposure and activity in this area due to market conditions

## CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Capital Bancorp, Inc

☒ **Increase securities purchased (ABS, MBS, etc.).**

The Company's security portfolio increase to \$93.8 million at December 31, 2011 from \$82.7 at December 31, 2009 an \$11.1 million or 13.4% increase.

☒ **Make other investments.**

The Company purchased its corporate headquarters building in Glen Allen in April of 2010. This provided the company with a financial benefit as well as stability of corporate headquarters.

☒ **Increase reserves for non-performing assets.**

The Company's reserve for loan losses at December 31, 2010 was \$11.0 million which was a \$4.4 million or 67.2% increase from a \$6.6 million balance at December 31, 2009.

☐ **Reduce borrowings.**

## CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Capital Bancorp, Inc

☒ **Increase charge-offs.**

The Company's charge-offs for 2010 were \$3.8 million for 2010 which compares to \$745 thousand in 2009, a \$3.1 million increase.

☐ **Purchase another financial institution or purchase assets from another financial institution.**

☒ **Held as non-leveraged increase to total capital.**

Total risk based capital for the company was 13.70% at December 31, 2010 compared to 14.09% at December 31, 2009 as a result of the large provisions for loan losses the company incurred in 2010. At the end of the first quarter of 2011 that capital level had increased to 14.04%

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION  
(Include Holding Company Where Applicable)

First Capital Bancorp, Inc

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

There were no actions that our institution avoided because of our CPP capital infusion.

## CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Capital Bancorp, Inc

---

**What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?**

Our company was able to grow certain parts of our loan portfolio and bond portfolio as a result of CCP and the strong capital levels help us attract new deposit customers as well.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION  
(Include Holding Company Where Applicable)

First Capital Bancorp, Inc

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

N/A